Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Qwest Communications International, Inc.	)	
	)	WC Docket No. 02-148
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska, and North Dakota	)	

DECLARATION OF GEOFFREY NIELSON
ON BEHALF OF WORLDCOM, INC.

Based on my personal knowledge and on information learned in the course of my duties, I, Geoffrey Nielson, declare as follows:

1. My name is Geoffrey Nielson. I have been working in the DSL wholesale business for 2 years. Prior to joining WorldCom, Inc., I was the provisioning Process Manager for Rhythms NetConnections, Inc. I have been working at WorldCom Inc., since WorldCom Inc. purchased Rhythms NetConnections, Inc., in December 2001. I am Senior Staff Specialist III in the DSL Operations group and have responsibility for all DSL service delivery processes and systems. I have 3 years experience with process and system integrations with high-tech companies internationally and in the Western United States.

2. WorldCom provides DSL service to businesses and ISPs in Colorado through line-sharing arrangements with Qwest. WorldCom's DSL business requires WorldCom to interface with Qwest and access Qwest's systems and databases in order to pre-qualify,

order, and maintain the loops required to provide DSL service. Without access to Qwest's pre-ordering systems, for example, we would not be able to tell whether a particular loop is qualified for DSL. WorldCom relies on Qwest to provide status-updates on our orders by returning timely and accurate order completion notices or rejects followed by provisioning completion notifications.

Qwest Does Not Provide All Pertinent Loop Qualification and Loop Make-up Information

3. WorldCom is not gaining access to all the relevant loop makeup information that is available in Qwest's network. When WorldCom queries Qwest's loop qualification database using Qwest's IMA/EDI loop make-up tool, we do not always receive all pertinent information. For example, WorldCom may perform a query and find that fiber exists in the loop, in which case we are unable to provide DSL service to that customer. Yet, we are not told that a redundant copper facility over which we could provide that customer DSL service is available. Although Qwest suggests that it has populated its database to include spare copper facilities, it has not been WorldCom's experience that this type of information is actually available. WorldCom thus has had to unnecessarily reject customers' orders for DSL service simply because we have not been provided all relevant loop qualification information.

Qwest Improperly Issues a SOC Before Completing the DSL Order

4. WorldCom has experienced problems in Colorado with the accuracy of Qwest's Service Order Completions (SOC) for its DSL line sharing orders. For example, WorldCom received a SOC for certain DSL line sharing orders, but then a customer complaint revealed that Qwest had not yet completed the order. Discussions with the Qwest central office technician handling the orders revealed that SOCs may be

transmitted electronically to a CLEC regardless of whether work actually has been completed. A SOC should not be transmitted until the work actually has been completed in the central office. Prematurely issuing SOCs creates customer-impacting issues for WorldCom because WorldCom has been lead to believe – and informed its accordingly -- that service will be turned up on a certain date. Customers are dissatisfied with WorldCom when they do not receive service on the day promised.

Qwest Fails to Provide Accurate Channel Facility Assignment Information

5. WorldCom has discovered that Qwest's Channel Facility Assignment (CFA) inventory in a few of its central offices in Colorado is not accurate and requires updating. CFAs are the connections between WorldCom's collocation site and the ILEC's network. Qwest provides to WorldCom a list of available CFAs for each central office, so that WorldCom knows which CFAs it can use to offer service to end-users. Because Qwest has not provided WorldCom with accurate CFA information, orders are automatically rejected with the error message "Invalid CFA," even though we used the assignment that we were given by Qwest. WorldCom must receive assurance that all central office wiring is accurate and that the appropriate information has been updated in Qwest's CFA inventory system in order to provision DSL to its customers.

6. WorldCom has been making requests to Qwest to update its systems, but in some cases it has taken up to 96 hours to receive updated and valid CFAs, during which time our orders are rejecting. WorldCom has asked Qwest to re-certify certain central offices to ensure that it has completed all necessary work related to providing accurate CFAs. In April of this year, 10 central offices in Colorado were re-certified, and of those 10, seven required that Qwest update its CFA system. Of the seven requiring

updating, five are still incorrect. Until the CFAs in these central offices are accurate, DSL orders placed by WorldCom run the risk of being rejected.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 3, 2002.

Geoffrey Nielson

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Consolidated Application for Authority	)	
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in Colorado, Idaho, Iowa, Nebraska	)	
and North Dakota	)	
	)	

**DECLARATION OF CHRIS FRENTRUP
ON BEHALF OF WORLDCOM, INC.**

Based on my personal knowledge and on information learned in the course of my duties, I, Chris Frentrup, declare as follows:

I. INTRODUCTION AND SUMMARY

1. My name is Chris Frentrup. I am employed by WorldCom, Inc. ("WorldCom") as a Senior Economist in the Public Policy Analysis Group of the Federal Advocacy organization. In that position, I am responsible for analyzing economic issues relating to telecommunications industry regulation and public policy, and assisting in the development and advocacy of WorldCom's public policy positions. I have filed declarations in review of several previous Bell company 271 applications. I have also participated in the development and advocacy of the HAI Model, a model used in the estimation of telecommunications network costs.

2. This Declaration comments on the benchmarking methodology Qwest uses to support its recurring unbundled network element (UNE) rates in Idaho, Iowa, Nebraska, and

North Dakota. This methodology neglects to take account of the sales of exchanges Qwest has had in Idaho, Iowa, and North Dakota, and also fails to accurately reflect the relative minutes of usage in each of the states. These two errors result in inflated UNE rates for each of these states - loop rates are overstated by 1 percent in Idaho, 3 percent in Iowa, and 9 percent in North Dakota, and switch usage rates are overstated by 35 percent in North Dakota and 20 percent in Nebraska.

II. BACKGROUND

3. Qwest's recurring UNE rates were set in cost proceedings in each of the five states for which it is seeking approval under section 271 in this application. However, Qwest relies only on the rates set by the Colorado Public Utility Commission. For the other states, Qwest is proposing rates that are below the rates set by the state commissions, based on a benchmark comparison with the Colorado rates.

4. To compute the benchmark for the loop rates in Idaho, Iowa, Nebraska, and North Dakota, Qwest multiplies the statewide average UNE loop rate adopted in Colorado by the ratio of Colorado loop costs to the state's loop cost, as those costs are determined by the Commission's Synthesis Model (SM).[1] To derive the rate for the different zones in the states, Qwest multiplies the ratio of this revised statewide average rate to the originally approved statewide average rate by the rates for the individual zones.

5. Qwest performs a similar operation to derive a new switch usage rate. First, Qwest derives the ratio of each state's total non-loop costs to Colorado non-loop costs, as determined by the modified SM. It then multiplies that ratio by the total non-loop rate for

1 The SM was developed by the Commission to determine universal service costs. To determine UNE costs, modifications to the SM are needed to remove retail overheads, and to spread the remaining wholesale overhead costs among all elements. The SM as modified in this manner has previously been used by the Commission to perform its benchmark analysis.

Colorado to determine each state's allowed total non-loop rate.[2] If that allowed rate exceeds the state's approved non-loop rates – and in every case it does – Qwest resets the shared transport rate to the Colorado rate, retains the state's port rate, and adjusts the switch usage rate so that the new rates in total equate to the allowed total non-loop rate.

III. QWEST'S BENCHMARK METHODOLOGY FAILS TO ADJUST FOR THE EXCHANGES SOLD IN IOWA, IDAHO, AND NORTH DAKOTA

6. Qwest's use of the adjusted SM for the purpose of computing the benchmark suffers from a serious flaw: Qwest has sold a number of the exchanges that are included in the SM. Since these exchanges have been its higher cost more rural exchanges, the adjusted SM results in overstated costs in those states where Qwest has sold its exchanges. In fact, of the five states included with the application, Qwest sold exchanges in three of them – Idaho, Iowa, and North Dakota. Since none of the exchanges in Colorado or Nebraska were sold, the Colorado and Nebraska SM costs are not misstated. However, in Idaho, Iowa, and North Dakota, removal of high cost exchanges from the SM will reduce the resulting loop and non-loop costs in those states, reducing the rates that are allowed under the benchmark methodology Qwest uses.

7. Correctly reflecting the sale of exchanges in the SM would require rerunning the model with the sold exchanges and their attendant demand removed. WorldCom does not have access to the wire center demand level data used in the SM, but a first approximation to the effect of the sale of these exchanges can be obtained by removing the sold

2 The total non-loop rate was computed as one port charge, plus the switch usage rate applied to a basket of 1200 originating and 1200 terminating local minutes and 370 combined state and interstate long distance minutes, plus the shared transport rate applied to that same basket of minutes. Qwest makes assumptions about how much of its local traffic is intraoffice, and how much of its traffic is tandem transport to determine the exact number of minutes to which its rates apply. These assumptions are given in detail in the Declarations of Jerrold L. Thompson included in

wire centers from the results files produced for the SM by the Commission.[3] This will provide only an approximation, however, because removing the sold exchanges will, at a minimum, result in a modified interoffice transport network, as those exchanges will no longer need to be included on the network. In addition, there may be changes in the numbers of trunk ports needed, which would change the cost of switching. Thus, the adjustments WorldCom identifies here are likely to slightly understate the true effect of these sold exchanges on the benchmark analysis.

8. WorldCom obtained the SM expense modules containing the results for these three states, adjusted them to obtain UNE rates,[4] and zeroed out the sold exchanges.[5] These modifications lowered the benchmark for loop rates by 1 percent in Idaho, 3 percent in Iowa, and 9 percent in North Dakota. Similarly, these modifications lowered the benchmark for total non-loop rates by 0.5 percent in Idaho, 2 percent in Iowa, and 13 percent in North Dakota. Thus, the rates set by Qwest for these three states using its benchmark analysis are overstated by at least these percentages.

IV. QWEST'S BENCHMARK DEMAND LEVELS ARE INCONSISTENT WITH COMMISION PRECEDENT

Qwest's 271 application.

3 The wire center demand was provided in the Universal Service proceeding under proprietary cover that prohibits use of the data for any other purpose. The SM results files are available at http://www.fcc.gov/wcb/tapd/hcpm.

4 In each of the wire center expense modules, retail overheads of 3.62 per line were removed from cell C34 of the 'Per Line' sheet. The resulting value was then copied from that cell to cell K69 of the '96 Actuals' sheet, and the entry in cell C34 of the 'Per Line' sheet was changed to zero. Cell C53 of 'Inputs' sheet was changed to 100%. Once these modifications have been made, the monthly per line loop, port, switch usage, signaling, and transport costs can be computed from the 'Investment Input' page.

5 The sold exchanges are: (1) Iowa – AKRNIAAE, ALSNIAAB, BNCRIAAB, BYDNIAAC, CLVLIAAA, CYDNIAAE, DOONIAAA, EKDRIAAE, ELGNIAAB, GRNVIAAB, GTBRIAAC, HULLIAAC, HWRDIAAE, IRTNIAAA, LAKTIAAB, LRMRIAAA, MCGRIAAE, MRHDIAAA, MRRYIAAA, RCRPIAAC, RCVYIAAC, SBLYIAAC; (2) Idaho – DRGSIDMA, TTONIDMA, VCTRIDMA; and, (3) North Dakota – ALXNNDBC, DNSTNDBC, FAMTNDBC, GWNRNDBC, LSBNNDBC, PMBNNDBC, ROLLNDBC, WLSTNDBC, WTCYNDBA, WYNDNDBA. The rows containing these wire centers in the 'Investment Input' sheet were deleted, and the monthly per line costs were computed.

9. The computation of a non-loop benchmark requires the combination of several rate elements that have different demand units. In its computation of an overall non-loop rate, Qwest includes a per-line per month port charge, a per minute switch usage charge, and a per minute shared transport rate, that is itself a combination of a tandem switch charge and a transport charge. Qwest assumes the same level of minutes in all states to compute a monthly per line non-loop charge.[6]

10. Use of a constant set of demand in all states is inconsistent with the methodology used by the Commission in prior benchmark analyses. For example, in its most recent 271 decision, the Commission used state specific demand data in New York and New Jersey to perform its benchmark analysis.[7] While the Commission stated that standardized demand assumptions might be reasonable, the only reason given by the Commission that would permit use of standard assumptions is the absence of state-specific demand data.[8]

11. State-specific demand data are available for all five of the states in this application. Data on dial equipment minutes (DEM) are available from the ARMIS 43-04 report.[9] Data on retail switched access lines are available in the ARMIS 43-08 report. In its 271

6 Specifically, Qwest assumes 1200 originating and termininating local minutes, and 370 toll and access minutes. Twenty five percent of local minutes are assumed to be intraoffice, and 20 percent of toll minutes are assumed to be tandem routed.
7 See Application by Verizon New Jersey Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in New Jersey, WC Docket No. 02-67, Memorandum Opinion & Order, FCC 02-189, rel'd. June 24, 2002 at ¶ 53.
8 Id.
9 The DEM data are reported in row 1216. Total state data are reported in column c, and interstate data are reported in column d. The state data can be split into local and toll minutes based on data filed by the National Exchange Carrier Association for the year 2000, the latest year for which such data are available. Those data are contained in the file NETWU00.ZIP, which can be downloaded at http://www.fcc.gov/wcb/iatd/neca.html.

application, Qwest provides the number of resale, UNE-platform and unbundled loop lines it provides to resellers in each of the five states.[10] These data are presented in Table 1, attached.

12. As can be seen, the minutes of use per line varies substantially across these five states, with Colorado having relatively low minutes.11 North Dakota and Nebraska have substantially higher minutes per line. Substituting these state specific minutes per line into Qwest's computation of the benchmark rates results in an 11 percent reduction in the switch usage rate for North Dakota, and a 30 percent reduction in Nebraska. These changes are in addition to the reductions that would occur from the removal of the effect of sold exchanges.

V. CONCLUSION

13. Recognizing that its rates in Idaho, Iowa, Nebraska, and North Dakota were well in excess of the Colorado rates, even after adjusting for cost differences among the states, Qwest has correctly lowered its rates in those states. However, the methodology it used to lower its rates still results in recurring rates that are too high. The Commission should reject Qwest's 271 application until Qwest lowers its rates to reflect the sales of exchanges and the state-specific demand characteristics previously used by the Commission for its benchmark analyses.

14. This concludes my Declaration on behalf of WorldCom.

10 See Qwest Brief at 19. There is a slight mismatch in the time periods for these two sets of data. The DEM data are reported for calendar 2001. The switched access line data in ARMIS 43-08 are reported as of year end. To correct for this mismatch, the line data used in this analysis employs an average of the data reported for year end 2000 and 2001. However, the CLEC line data reported by Qwest in its brief are line counts as of March 31, 2002. Since lines are likely to have grown over time, this would imply that the minutes of use per line are probably slightly understated. However, this understatement will alter the analysis presented here only to the extent that the CLEC lines were growing at a different rate in the individual states.

11 This analysis assumes that the DEM reported in ARMIS reflect both Qwest's and the CLECs' minutes, and that the lines reported in ARMIS reflect only Qwest's retail lines. Of course, to the extent that CLEC minutes are not included in the ARMIS data, or CLEC lines are reflected in the ARMIS data, this would result in even higher minutes per line.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 3, 2002.

Chris Frentrup

Chris Frentrup

TABLE 1

		2001 DEM		2001 Avg Lines						2001 DEM per Line			
	Total	State	Interstate		Unbundled Loop	UNE-P lines	Resale	Total Lines	Local	LD	State	Interstate	Total
CO	75,679	63,489	12,190	2,815,265	49,532	79,406	42,141	2,986,344	1,688	84	1,772	340	2,112
ID	15,332	12,932	2,399	581,804	4,417	11,438	9,194	606,853	1,721	55	1,776	329	2,105
IA	32,071	27,827	4,244	1,133,083	27,798	110,471	16,098	1,287,450	1,677	124	1,801	275	2,076
ND	7,969	6,881	1,088	214,842	13,181	21,149	7,796	256,968	2,091	141	2,231	353	2,584
NE	15,264	12,897	2,367	486,046	17,193	4,446	11,437	519,122	1,960	110	2,070	380	2,450

Sources: 2001 DEM are from ARMIS 43-04, row 1216
2001 Avg Lines are the average of 2000 and 2001 Total Switched Access Lines from ARMIS 43-08
Unbundled Loops, UNE-P lines, and Resale from Qwest Brief, Page 19

	2000 State DEM			
	LD	Local	% LD	% Local
CO	3004270	60658451	0.0471904	0.952809589
ID	391149	12347089	0.0307067	0.96929332
IA	1920054	25982739	0.0688123	0.931187749
ND	435159	6464780	0.0630671	0.936932921
NE	689651	12242788	0.0533272	0.946672782

Source: NECA data for 2000

EXHIBIT 1

Colorado Price Squeeze

	State Average	Zone 1	Zone 2	Zone 3
Households (000)	1,653	94	1,243	316
% of Residential lines	100%	6%	75%	19%
Revenue:				
Local	$24.42	$24.42	$24.42	$24.42
Access	$2.55	$2.55	$2.55	$2.55
Total Revenue (1)	$26.97	$26.97	$26.97	$26.97
Telco:				
Unbundled switch port	$1.53	$1.53	$1.53	$1.53
Unbundled loop	$15.85	$5.91	$12.31	$32.74
Switch Feature	$0.00	$0.00	$0.00	$0.00
UNE switching & transport	$4.85	$4.85	$4.85	$4.85
DUF Charge	$0.20	$0.20	$0.20	$0.20
Total Telco (2)	$22.43	$12.48	$18.88	$39.31
Gross Margin	$4.54	$14.48	$8.08	($12.35)

1 Includes line fee, 1 feature (Call Waiting @ $4.50), SLC. Does not include the exchange zone increment.

2 Does not include NRC of $.68.

Note: Analysis does not include WorldCom or other CLEC internal costs (e.g., billing, customer service, sales/acquisition, bad debt)

Idaho Price Squeeze

	State Average	Zone 1	Zone 2	Zone 3
Households (000)	343	203	114	26
Density	100%	59%	33%	8%
Revenue:				
Local	$24.92	$24.92	$24.92	$24.92
Access	$2.98	$2.98	$2.98	$2.98
Total Revenue (1)	$27.90	$27.90	$27.90	$27.90
Telco:				
Unbundled switch port	$1.34	$1.34	$1.34	$1.34
Unbundled loop	$20.42	$15.81	$24.01	$40.92
Switch Feature	$0.00	$0.00	$0.00	$0.00
UNE switching & transport	$5.20	$5.20	$5.20	$5.20
DUF Charge	$0.20	$0.20	$0.20	$0.20
Total Telco (2)	$27.16	$22.55	$30.75	$47.66
Gross Margin	$0.75	$5.36	($2.84)	($19.75)

1 Includes line fee, 1 feature (Call Waiting @ $5.50), SLC. (Line fee is an average of the retail rate groups.)

2 Does not include NRC of $.71.

Note: Analysis does not include WorldCom or other CLEC internal costs (e.g., billing, customer service, sales/acquisition, bad debt)

Iowa Price Squeeze

	State Average	Zone 1	Zone 2	Zone 3
Households (000)	694	197	387	110
Density	100%	28%	56%	16%
Revenue:				
Local	$22.18	$22.18	$22.18	$22.18
Access	$3.22	$3.22	$3.22	$3.22
Total Revenue (1)	$25.40	$25.40	$25.40	$25.40
Telco:				
Unbundled switch port	$1.15	$1.15	$1.15	$1.15
Unbundled loop	$16.77	$13.11	$15.64	$27.27
Switch Feature	$0.00	$0.00	$0.00	$0.00
UNE switching & transport	$5.81	$5.81	$5.81	$5.81
DUF Charge	$0.22	$0.22	$0.22	$0.22
Total Telco (2)	$23.94	$20.28	$22.81	$34.44
Gross Margin	$1.45	$5.11	$2.58	($9.05)

1 Includes line fee, 1 feature (Call Waiting @ $5.50), SLC. (Line fee is an average of the retail rate groups.)

2 Does not include NRC of $.69.

Note: Analysis does not include WorldCom or other CLEC internal costs (e.g., billing, customer service, sales/acquisition, bad debt)

Nebraska Price Squeeze

	State Average	Zone 1	Zone 2	Zone 3
Households (000)	346	281	36	30
Density		81%	10%	9%
Revenue:				
Local	$31.21	$31.21	$31.21	$31.21
Access	$3.09	$3.09	$3.09	$3.09
Total Revenue (1)	$34.30	$34.30	$34.30	$34.30
Telco:				
Unbundled switch port	$2.47	$2.47	$2.47	$2.47
Unbundled loop	$18.09	$12.14	$28.11	$62.50
Switch Feature	$0.00	$0.00	$0.00	$0.00
UNE switching & transport	$5.88	$5.88	$5.88	$5.88
DUF Charge	$0.20	$0.20	$0.20	$0.20
Total Telco (2)	$26.64	$20.69	$36.66	$71.05
Gross Margin	$7.66	$13.60	($2.37)	($36.76)

1 Includes line fee, 1 feature (Call Waiting @ $5.50), and SLC. (Line fee is an average of the retail rate groups.)

2 Does not include NRC

Note: Analysis does not include WorldCom or other CLEC internal costs (e.g., billing, customer service, sales/acquisition, bad debt)

North Dakota Price Squeeze

	State Average	Zone 1	Zone 2	Zone 3
Households (000)	141	125	10	7
Density	100%	88%	7%	5%
Revenue:				
Local	$28.19	$28.19	$28.19	$28.19
Access	$5.08	$5.08	$5.08	$5.08
Total Revenue (1)	$33.27	$33.27	$33.27	$33.27
Telco:				
Unbundled switch port	$1.27	$1.27	$1.27	$1.27
Unbundled loop	$17.54	$14.78	$24.92	$56.44
Switch Feature	$0.00	$0.00	$0.00	$0.00
UNE switching & transport	$6.76	$6.76	$6.76	$6.76
DUF Charge	$0.25	$0.25	$0.25	$0.25
Total Telco (2)	$25.82	$23.06	$33.20	$64.72
Gross Margin	$7.44	$10.21	$0.07	($31.45)

1 Includes line fee, 1 feature (Call Waiting @ $5.50), and SLC.

2 Does not include NRC

Note: Analysis does not include WorldCom or other CLEC internal costs (e.g., billing, customer service, sales/acquisition, bad debt)

EXHIBIT 2

DIRECT TESTIMONY OF

EDWARD CAPUTO

CHECKLIST ITEM 7

January 28, 2002

PUC Docket No. P-421/CI-01-1370
OAH Docket No. 12-2500-14485-2

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Edward Caputo and my business address is 601 South 12th Street, Arlington, Virginia, 22202.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am Director of Operator and Directory Services for MCImetro Access Transmission Services, L.L.P. ("MCIm"). I have held management positions in the telecommunications field for the past 11 years. Prior to that I held management positions in the Information Technology and Finance field. I have had management responsibilities at MCIm and its predecessor entity, MCI, since 1990 in the area of Operator and Directory Services.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of this declaration is to refute QWEST'S position in its 271 Application that it has met its obligation to provide nondiscriminatory access to directory assistance services and operator call completion services to CLECs as required under Checklist Item 7. QWEST does not recognize its obligation to offer OS and DA Services as UNEs until such time as it ***provides*** customized routing which will allow MCIm to route MCIm's customers OS and DA calls to MCIm's UNE-P OS/DA platform.

MCIm's preferred method of customized routing requires QWEST to route MCIm UNE-P customers' OS and DA traffic, over shared-access Feature Group D trunks, to MCIm's own OS and DA platform. This will enable MCIm to offer its own OS and DA services to its own customers. Until such time as QWEST provides customized routing to MCIm in the manner that meets MCIm's needs and FCC rules, QWEST must provide OS and DA services to MCIm as UNEs. Because QWEST does not provide customized routing, QWEST must offer OS and DA as UNE's. Because QWEST does not offer OS and DA as UNEs in its proposed ICA language it does not provide nondiscriminatory access to network elements as prescribed in item 7 of the 271 checklist.

Q. PLEASE EXPLAIN WHAT OPERATOR SERVICES AND DIRECTORY ASSISTANCE SERVICES ARE.

A. Operator Services ("OS") and Directory Assistance ("DA") are services that support operator call completion and the ability of MCIm to provide directory assistance services to its customers. Operator Services refer to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. Specifically, ILECs must allow telephone service customers to connect to the operator services offered by that customer's chosen local service provider by dialing "0" ("0-") or "0" plus the desired telephone number ("0+"), regardless of the identity of the customer's local telephone service provider.

Directory Assistance refers to a service in which users are provided with telephone numbers and, in some instances, addresses of individual telephone exchange service subscribers. The information provided to users is obtained from databases that contain the names, addresses, and telephone numbers of the telephone exchange service subscribers within particular geographic areas that do not elect to have unpublished numbers.

Q. WHAT OPTIONS ARE AVAILABLE TO MCIM TO PROVIDE OS AND DA SERVICES TO ITS CUSTOMERS?

A. In order to provide OS and DA services to its customers, MCIm can either purchase OS/DA from QWEST or provide its own OS/DA. The only way MCIm can effectively provide its own OS/DA to its customers is through access to the local switched network.[1] Since QWEST owns and controls the network, it controls access to the telephone customer. In order to provision its own OS/DA, MCIm is dependent on QWEST to route MCIm's customers' OS/DA calls to MCIm's UNE platform.

Q. WHICH OF THESE TWO METHODS DOES MCIM PREFER?

A. MCIm prefers custom routing to purchasing QWEST's OS/DA for a variety of reasons. First, this will promote competition in the local telephone market in Minnesota. It will allow MCIm to provide service to residential, as well as small business, local customers. One of the considerations that MCIm must make when determining whether to enter local market competition is the cost of providing service and the resulting probability that it will be able to compete profitably. QWEST's price for its OS is approximately four times more expensive than MCIm's cost to perform the same function with MCIm's operators. In its price list, Exhibit A to this 271 filing, QWEST lists a wholesale price of $0.028 per operator work second for Local Operator Service. QWEST'S price for Local Directory Assistance of $0.35 per a call is approximately one-third more expensive than MCIm's cost to perform this same function with MCIm operators.

[1] The only alternative to customized routing that would enable MCIm to provide its own OS/DA would be for MCIm to lay its own network of dedicated trunks throughout QWEST's territory. Not only would this alternative be prohibitively costly, duplicative and a waste of MCIm's resources, it would circumvent the entire unbundling concept set forth in the Act upon which competitive access to the local market is based. The only viable option is to deliver those OS/DA calls to MCIm's UNE platform through customized routing.

QWEST has also sought to assess MCIm charges for trunking, and branding. MCIm can avoid these charges by self-provisioning OS and DA services. All of these factors are severe drags on profitability and have delayed MCIm's entry into the local consumer and small business markets in Minnesota. MCIm has a responsibility to its shareholders to invest in products and services, which will provide a positive return. This results in positive cash flow and growth in capitalization, which can be used for additional investment.

Second, self-provisioning will allow MCIm to directly control OS/DA service offerings to its customers. This will enable MCIm to develop and deploy new and innovative services. The FCC recognizes the importance of these services to CLECs:

> "As the Commission explained in the *Local Competition First Report and Order,* using unbundled network elements and resold services present different opportunities, risks, and costs, in connection with providing local telephone service. These differences influence the entry strategies of potential competitors. The Commission stated that carriers using unbundled elements will have greater opportunities to offer services that are different from those services offered by the incumbents." *UNE Remand Order* at 68.

The FCC also stated:

> "Two fundamental goals of the Act are to open the local exchange and exchange access markets to competition and to promote innovation and investment by all participants in the telecommunications marketplace. To further the goal of opening the local market to competition, we may consider how access to specific unbundled network elements will encourage the rapid introduction of local competition to the benefit of the greatest number of consumers." *UNE Remand Order* at 103.

Third, self-provisioning will enable MCIm to offer ubiquitous OS/DA services to its customers. Today, MCIm provides extensive operator and directory services to its local facilities based customers, long distance customers and provides OS/DA services to non-subscribers with products such as 1-800-COLLECT. MCIm strives to enhance its brand image by delivering feature consistency as well as reliable high quality with respect to automated and live operator handling. MCIm prefers to control product content and delivery in all markets in which it participates in order to protect the value and image of its brand.

Finally, MCIm wants the opportunity to compete with QWEST as a provider of OS/DA services to other CLECs in Minnesota. In order to do so, other CLECs will need QWEST to provide the customized routing to direct CLECs' customers' calls to MCIm's OS/DA platform.

Q. DOES MCIM BELIEVE THAT QWEST'S PROPOSAL WITH RESPECT TO CUSTOMER ROUTING IS ADEQUATE?

A. No. MCIm has communicated its requirements to QWEST in my Testimony filed in May 16, 2001 in a cost proceedings in Arizona (Docket No: T-00000A-00-0194) and my Testimony filed in June 27, 2001 in a Colorado cost proceeding (Docket No. 99A-577T). QWEST has not proven that it can provide a workable version of customized routing to MCIm for MCIm's OS/DA calls. MCIm requires that QWEST route MCIm's OS/DA traffic to existing, shared access, Feature Group D trunks between QWEST's local network and MCIm's long distance network. Feature Group D trunks are industry-standard trunks that were put into place shortly after divestiture to allow competitive long distance carriers to provide services to customers. It is clearly technically feasible for a CLEC such as MCIm to use the industry-standard Feature Group D functionalities to route

OS/DA traffic to its facilities-based OS/DA platform.[2] While QWEST's proposed language in Minnesota suggests that it would make customized routing available to MCIm via Line Class Codes and switch routing capabilities, there is no indication that QWEST can actually provide the type of customized routing MCIm needs. And, QWEST requires that MCIm order and establish separate dedicated trunks if MCIm, or any CLEC, wants to use any method of customized routing that is not identical to what QWEST uses for its' own customers.

Q. DOES QWEST'S PROPOSAL MEET THE REQUIREMENTS OF THE FEDERAL TELECOMMUNICATIONS ACT?

A. No. As discussed below, it is MCIm's position that QWEST's proposal is not consistent with its obligations under the Act and the FCC's *UNE Remand Order*.

MCIm's request for customized routing through Feature Group D-based Line Class Codes is consistent with the FCC's rules associated with OS/DA UNEs and customized routing. In its *UNE Remand Order*, the FCC provides the following definition of customized routing:

> Customized routing permits requesting carriers to designate the particular outgoing trunks associated with unbundled switching provided by the incumbent, which will carry certain classes of traffic originating from the requesting provider's customers. This feature would allow the requesting carrier to specify that OS/DA traffic from its customers be routed over designated trunks which terminate at the requesting carrier's OS/DA platform or a third party's OS/DA platform.[3]

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[2] WorldCom is proposing an industry standard Feature Group D configuration that relies on the commonly-used SS7 protocol. QWEST, on the other hand, has insisted that anything other than QWEST Line Class Codes identical to QWESTs would be ICB Priced even though the functionality of the Line Class Codes and switch routing is essentially the same.

[3] *UNE Remand* Order ¶ 441 n.867.

MCIm's Feature Group D proposal is clearly technically feasible and would allow WorldCom to "designate the particular outgoing trunks associated with unbundled switching provided by the incumbent" and "designate the particular outgoing trunks associated with unbundled switching provided by the incumbent."

Q. HAS MCIM PROPOSED AN ALTERNATIVE APPROACH?

A. Yes. MCIm has developed an engineering proposal that uses the same type of Line Class Code and existing local switch features, and functionality as QWEST uses, which meets WorldCom's customized routing needs. MCIm has offered to provide QWEST with the documentation for this proposal in both the Arizona and Colorado proceedings but QWEST has not accepted MCIm's offer. MCIm's proposal requires QWEST to route MCIm's OS/DA traffic using line class codes and other switch software features to shared access, FGD trunks to MCIm's long distance network. QWEST's switch will translate each MCIm's customers' 411, 555-1212 call into a 10-digit number that QWEST will route like any other long-distance call it sends to MCIm's Long Distance, FGD trunks. Similar methods will be used to change the nature of MCIm customers' 0+ and 0- calls to route them to MCIm's Long Distance network. MCIm has requested that QWEST perform all switching functions and translations necessary to support this routing. QWEST will then send these MCIm calls, along with all other MCIm long-distance (customer-originated 1+ calls where the MCIm customer is PIC'd to MCIm) to MCIm's existing FGD trunks.

Q. HAS MCIM DONE ANYTHING TO TEST THE TECHNICAL FEASIBILITY OF ITS PROPOSAL?

A. Yes. MCIm engineers have conclusively tested MCIm's customized routing request using switches from Nortel, Lucent and Siemens that MCIm has in our own laboratories. MCIm engineers researched the documentation that these vendors supply to determine whether capabilities exist within these switches to support customized routing. They began this research and testing process on October 10, 2000 and completed it the first week of January 2001. As a result of these tests, MCIm proved conclusively that it is technically feasible to perform customized routing using FGD signaling with the necessary translations, as MCIm has informed QWEST.

MCIm engineers were confident that their tests would be successful because MCIm has performed customized routing to support delivery of Local, Facilities Based Customers' Directory Assistance traffic to MCIm's own operator platform using FGD signaling on both Nortel and Siemens local switches since September 1997. Lucent 7RE and 5ESS local switches have had the capability to route directory and operator assisted calls along two distinctly different routing paths since the 5E12 software release. This release was available fourth-quarter 1997, through feature SFID 269, also known as 99-CP-4031. Nortel provides this capability through routing tables in their switches.[4] Siemens provides additional capabilities in this regard as described in Bulletin 99PB-06 issued March 1999, called "Overview of EWSD Unbundling and Interconnection features in support of the Multi-Service Provider Environment." MCIm's test of customized routing utilizes these switch features and functions.

Q. DO YOU AGREE WITH QWEST'S CLAIM THAT IT PROVIDES CUSTOMER ROUTING TO CLECS?

A. No. QWEST's claim that it provides customized routing to CLECs is false. The routing options QWEST describes in its proposed ICA, Section 9.12 requires MCIm to order and establish dedicated trunks in order to route MCIm's OS and DA calls to MCIm's UNE-P OS/DA platform, and are of no use to MCIm. MCIm's requested routing uses standard line class code and switch routing functionality, and there is no reason QWEST can not implement it in a swift, efficient and businesslike manner. MCIm's request simply requires QWEST to treat the OS and DA calls like any other MCIm long-distance calls and route them over MCIm's designated, shared-access FGD trunks.

QWEST's cookie-cutter options for "customized" routing, set forth in QWEST's proposed ICA Section 9.12, conflict squarely with the FCC's requirements. The FCC's *UNE Remand Order* specifies that the requesting CLEC designates the trunks to which the ILEC must route the OS/DA traffic:

> "Customized routing permits requesting carriers to designate the particular outgoing trunks associated with unbundled switching provided by the incumbent, which will carry certain classes of traffic originating from the requesting provider's customers. This feature would allow the requesting carrier to specify that OS/DA traffic from its customers be routed over designated trunks which terminate at the requesting carrier's OS/DA platform or a third party's OS/DA platform." [5]

According to the FCC's definition of customized routing, it is MCIm, and not QWEST, who is entitled to designate the trunks to which QWEST will route

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[4] MCIm will require access to QWEST's switch routing tables to specify customized routing in Nortel switches. The FCC ordered ILECs to provide requesting CLECs with this access in its *UNE Remand Order* at 251-252.

[5] *UNE Remand* Order ¶ 441 n.867.

MCIm's OS/DA traffic. QWEST has no right to designate that MCIm establish separate trunks.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. In summary, QWEST does not provide customized routing to CLECs, including MCIm and as such does not provide nondiscriminatory access to directory assistance services and operator call completion services as required. The Commission should order QWEST immediately to comply with its obligation to provide nondiscriminatory access to, directory assistance services and operator call completion services and until QWEST does it should not be deemed to meet the requirement under checklist Item 7 of section 271.

Q. DOES THAT COMPLETE YOUR TESTIMONY?

A. Yes, it does.

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